



Gascon Mar Ltd.

Kelly's File
✓ FAX TO JIM PALCHAKOFF
PLEASE VERIFY THAT OUR
VESTAR AGREEMENT MAKES
OUR RIGHT TO THESE
ENTITLEMENTS CLEAR -
NOT PART OF VESTAR
PURCHASE!!

T.A.O

MEMORANDUM

TO: Tom Overturf
Mario Stavale
Merle Pautsch

FROM: Allan W. Mackenzie

RE: **Harbor Gateway Center Sewer Credits**

DATE: March 14, 1996

As discussed, I enclose a March 4, 1996 letter summarizing your entitlement to 1,896 sewer capacity units; these are worth approximately \$1,300 per unit, or almost \$2.5 million based on what somebody would have to pay on unentitled land. I also enclose another letter on the same subject on one of our projects; you will note that if you do not relocate the entitlement to another site, the entitlement remains with the site and any successor in interest in a real estate transaction is entitled to the units.

Consequently, as I understand it, if you do nothing, then Vestar can draw against this total for what they need, which, on a very quick and dirty calculation, Tait to confirm, will be between 200 and 400 units. An equally rough calculation would suggest that depending on the use, you might need about 1,800 units on the balance of the property.

You therefore have three choices:

- (1) Do nothing, and let the buyers draw from your pool of units.
- (2) Include in your sale transactions express documentation entitling them to a certain number of units, and obtain consideration based on full or discounted value.

Memorandum

RE: Harbor Gateway Center Sewer Credits

March 14, 1996

Page Two

- (3) Transfer the units from, for example, one portion of the property (perhaps the retail) to another portion so you have plenty in reserve and can then utilize these for somebody else (or sell them as in 2 above).

If you choose to do 2 or 3 you should check the language of your standard Purchase and Sale agreement, since many agreements in their boilerplate convey entitlements appurtenant to the land to the Buyer.

Please let me know if there is anything else you need on this.



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (310) 699-7411, FAX: (310) 695-6139

CHARLES W. CARRY
Chief Engineer and General Manager

March 4, 1996
File: 05-00.05-00/96-799Y
Account No. 1402412

Bart Hoffman
Gascon Mar Ltd.
2050 W. 190th Street, Suite 201
Torrance, CA 90504

Dear Mr. Hoffman:

Industrial Wastewater Discharge Permit No. 799 & 800

McDonnell Douglas Corp.
19503 South Normandie Ave.
Los Angeles, CA 90501

Per your request, the subject site is entitled to 1896.44 sewer capacity units.

If you have any further questions, please contact Alicia Jauregui of the Sanitation Districts' Industrial Waste Section at extension 2918.

Very truly yours,

Charles W. Carry


Alicia Jauregui
Permit Engineer



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CHARLES W. CARRY
Chief Engineer and General Manager

August 2, 1993

File: 05-00.03-00/93-3829 & 4779X

Mr. John F. Knaut
Gascon Mar Ltd.
2050 W. 190th, Suite 201
Torrance, CA 90504

Dear Mr. Knaut:

This letter is in response to the your letter of March 26, 1993 regarding the baseline entitlement at 1524 Border Avenue in Torrance. The baseline entitlement at the site is 617.86 capacity units. This baseline was established by National Supply, a division of Armco Steel. Upon vacating the site in June 1990, National Supply did not relocate the entitlement to another site and thus, the entitlement has remained with the site. According to the connection fee ordinance, the successor in interest in a real estate transaction is entitled to the capacity units at the site.

The transfer of these capacity units to an adjacent parcel is contingent upon the intended use of the parcel. If the parcel will be used for commercial operations, then the Sanitation Districts' Planning and Property Management Department will determine how the baseline will be distributed based on calculations for commercial property and demolition credit.

If, however, the parcel is used for industrial operations and industrial wastewater will be discharged, then the Sanitation Districts' Industrial Waste and Surcharge Departments will make the final determination regarding the distribution of the capacity units. The baseline becomes part of the any existing baseline for the entire complex of parcels owned by Gascon Mar Ltd. and will be consolidated under a single industrial waste account. In addition, Gascon Mar Ltd. will be responsible for obtaining an industrial waste discharge permit. The previous permits obtained by National Supply were voided on August 15, 1985 and May 5, 1990. Upon change of ownership or change in industrial operations, the new company must obtain a new industrial waste discharge permit. If a permit is required, an Information and Instructions for Obtaining an Industrial Wastewater Discharge Permit booklet may be obtained from our office.

If you have any questions concerning this matter, please contact John Kilgore of the Sanitation Districts' Industrial Waste Section at extension 2906.

Very truly yours,

Charles W. Carry

John D. Kilgore
John D. Kilgore
Supervising Civil Engineer

RECEIVED

AUG - 5 1993

GASCON MAR LTD.

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To: <i>Knaut</i>	From: <i>SONN</i>	
Co: <i>Alcoa</i>	Co:	
Dept:	Phone #	
Fax #	Fax #	

JLR:WHL